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Stuart, Henry Harvey

Taxation and ownership of property

[Newcastle, N.B.]

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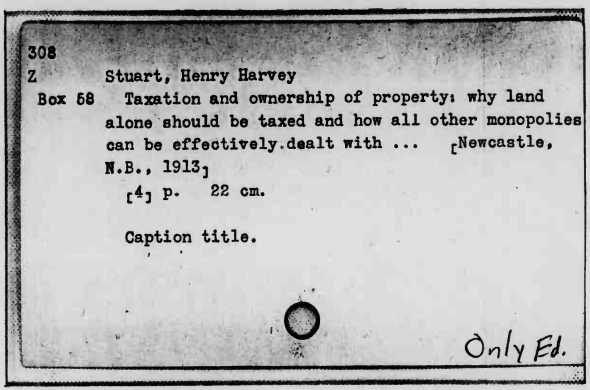
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Taxation and Ownership of Property.

Why Land Alone Should be Taxed and How All Other Monopolies can be Effectively Dealt With.

BY HENRY HARVEY STUART,
AN ALDERMAN OF THE TOWN OF NEWCASTLE, N. B.

What Should be Taxed?

Why should Land alone be taxed, and not Improvements, Personal Property and Income?

A man's income, if rightfully obtained, is the sum of his earnings, and THE WORKER HAS THE RIGHT TO THE UNMOLESTED POSSESSION AND ENJOYMENT OF THE FULL PRODUCT OF HIS TOIL. A man's personal property and improvements represent his or his ancestors' savings, and, GRANTED THAT HE OR THEY EARNED THE MONEY IN THE FIRST PLACE he alone is entitled to its possession and enjoyment, subject, of course, to its being taken by the State in cases of great national emergencies such as famine or war. If wealth is obtained by fraud and oppression, as doubtless much of it is, then it should be restored to its rightful owner if he still lives; otherwise it should go to the public funds.

To Land itself, however, the individual has not so absolute a title. Land being necessary to the support of all and not being produced by the labor of any IS RIGHTFULLY THE JOINT PROPERTY OF ALL NOW LIVING and should therefore be made to pay the taxes of all. For the individual use—not absolute ownership—of land the occupant should pay the community whatever the community judges to be right, no discrimination, of course, being allowed.

Again, as already stated, it is a fair proposition that EVERYTHING A MAN CREATES BY HIS OWN LABOR IS RIGHTFULLY HIS AND THE LAW SHOULD SECURE IT TO HIM. This was assented to in ancient times when Abraham claimed and was allowed the exclusive use of a well he had dug in the Philistine

country. If a man settles in the wilderness and transforms twenty five or fifty acres of comparatively unproductive soil into gardens, orchards and fields of grain, who but himself has any right to THE INCREASED VALUE OF THAT LAND CREATED BY THE WORKING OF HIS OWN HAND AND BRAIN? If his neighbor, with equal opportunity, creates only half as much value, why should the former be taxed twice as much as the latter, their holdings and opportunities having been equal? Why should the personal property bought and improvements made by the first man with the gains of his labor be taxed a greater sum than the less valuable property created by the second? Why should the first man's income be taxed more than the second man's? Is it not more just to tax their land values only and let the product of their toil go free?

It is manifestly unfair to tax all land at the same rate. The relative fertility, accessibility and desirability of land largely determines its value and must be considered. Land within a mile of a railway station is, other things being equal, much more valuable than that ten miles away. Meadow land is worth more than stony hillside, mining land than wood land, and so forth. So, also, in a town, certain blocks are because of their situation more valuable than others and should be taxed at a higher rate. Corner lots are most desirable, and the deeper a lot of a certain frontage the more valuable.

After the valuation of each particular district is correctly ascertained, then THE HOLDERS OF EQUAL AREAS IN THE SAME DISTRICT SHOULD PAY EQUAL TAXES. He who chooses to hold his land idle should pay the same taxes as he who covers his with buildings or crops.

The Benefits

What benefits would flow from the taxing of land values only? At least two.

1. It would tend to do away with speculation in land, for few could then afford to hold land idle for a rise in price. The increased taxes on land would compel the holders of idle land to improve it or sell. The exemption of improvements would encourage building and thus tend to decrease the price of rent. The throwing of vacant land upon the market would enable men who wish to build homes to purchase land more cheaply than at present and thus make it easier for them to shake off THE CURSE OF LANDLORDISM, WHICH IS FAST REDUCING OUR PEOPLE TO THE STATUS OF THE PEASANT AND LABORER OF THE MORE BACKWARD COUNTRIES OF EUROPE AND ASIA.

2. It would simplify and facilitate the collection of taxes. NO ONE COULD THEN ESCAPE HIS TAXES. He could not hide nor misrepresent his land. Assessors would, once the unit of value was established in each district, have no choice in the matter. The holder of so many square feet or so many acres would have to pay so much, and his land would be ample security. But under our old fashioned and discredited system much of the taxable property escapes altogether, and much of the taxes levied is lost. Much Income and Personal Property is overlooked, and the value of improvements is fixed according to the judgment of insufficiently-paid assessors upon whom, with the extremely difficult work they are called upon to do, a multitude of hindering influences can be brought to bear. Also because of our BACKWARD ECONOMIC SYSTEM WHEREBY MANY MEN ARE COMPELLED TO WANDER HITHER AND THITHER LOOKING FOR WORK, which they sometimes find and often don't, much of the poll tax is lost.

So, when the collection of a land tax is so simple and easy, and its imposition so just, why bother with those forms of taxation that are so uncertain, so difficult to fix, and so hard to enforce?

I do not claim—FOR IT IS NOT—that this system of taxation is a panacea for financial and economic ills; but, since it will discourage the keeping of land idle, and encourage building and other improvements, and make assessment of taxes more simple and the collection more easy, it is, therefore, WORTHY OF A FAIR TRIAL.

Abolish Political Inequalities

Equitable Taxation should be accompanied by Political Equality. As every British citizen residing in this province has a vote at Provincial and Dominion Elections and is also eligible as a candidate for Local and Dominion Legislatures without being subjected to any property qualification, so should every citizen of a municipality be a voter therein and eligible for the offices of Alderman, Mayor or County Councillor regardless of the amount of his property. Even if he should pay no tax directly, the landlord and others will see to it that he pays enough indirectly. And WOMEN SHOULD NO LONGER BE DEBARRED FROM FULL CITIZENSHIP BECAUSE OF THEIR SEX.

Home Rule in Taxation

The immediate need of municipalities is Home Rule in Taxation, which power can only be obtained from the Provincial Legislature, which has hitherto refused to allow any radical changes. But the complexion of a too stubborn legislature can easily be changed at the next general election. IN ALL MATTERS LET THE PEOPLE RULE.

After the Land Tax What?

But, we are asked, "Are there no other unearned increments? What about the large dividends that the Banks boast of? What about the huge corporations that wallow in wealth, and are become a menace and a curse, and do by that very wealth control legislation? Are these huge monopolies to be exempted from all obligation? What about moneys lying idle in Banks and the interest accruing from such, but of no benefit whatever to the people in general?"

To these important and timely questions the public good demands an immediate and satisfactory answer.

The raising of all public revenue—municipal and even provincial and national—from Land Taxes only would not, in itself, abolish all monopolies that prey upon the long-suffering farmer and upon the patient worker of the villages and towns. Taxing land values only would, as has been shown, greatly improve the general situation, but some of the conditions that make monopoly possible would still remain.

MONOPOLY CAN BE ABOLISHED ONLY BY PUBLIC OWNER-

SHIP, which, by the way, is a remedy rapidly growing in popular favor. To Personal Property rightfully obtained, to Income honestly earned, and to Improvements resulting from his own labor a man's title is rightfully ABSOLUTE, or well nigh so, and should be so regarded by law; the occupancy of land should, so long as it can be successfully managed individually and nobody desirous of obtaining a share is unfairly crowded out, be reasonably permanent; but such industries as railroads which must be used by the general public, and are necessary for its life, health and convenience, should be operated by the Public alone and not by any individual or corporation. Existing public utilities found to be necessary subjects of expropriation for the public good SHOULD NOT, OF COURSE, BE TAKEN WITHOUT COMPENSATION. Every stockholder thus dispossessed is entitled to have returned to him the FULL VALUE—NO LESS AND NO MORE—THAT HE PUT INTO THE BUSINESS. He is not entitled to reap one cent's worth of benefit from watered stock or from the increased value given his property, by the efforts of others. Judged by this standard—which is the only true one—the actual worth of many corporations that have grown fat on subsidies and the profits of exclusive franchises wrongfully obtained would not be very great.

Whenever any business becomes a Monopoly, taking from the Public more value than it gives, it should be nationalized—thereafter run by the Public in the interest of the Public, the workmen employed by the Public and paid THE FULL VALUE OF THEIR WORK, and the goods so produced SOLD AT COST.

Cheap fuel being a public necessity the coal mines and oil fields should be nationalized, the present holders being REIMBURSED FOR THE ACTUAL OUTLAY OF THEIR OWN MONEY OR LABOR. Then the mines should be run for use, not for profit, the workers receiving just remuneration and the consumers full value.

The Banking monopoly should be abolished, and all money issued directly by the Public, which should do whatever lending may be necessary. Why should private parties be allowed to grow rich by trading with other people's money? The depositor's money, if it represents his honest savings, is his alone; why should it be taxed? Let the Public do its own banking, and the depositor's money will be set free for more useful purposes.

Similarly with the Express, the Telegraph and Telephone, the Steamship and all other monopolies. Let every business which can be privately run without unduly interfering with other enterprises remain in private hands; let all others be nationalized. "LET THE NATION OWN THE TRUSTS."

Conclusion

To sum up: The taxation of Land values is the only proper method of raising public revenue. What economic injustice would then remain can be cured by the nationalization of all industries that become or threaten to become monopolies, men and women having equal rights and all workers receiving the full value of their labor.

Newcastle, N. B., Feb. 18, 1913.

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